

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
W.R. GRACE & CO., <u>et al.</u>)	Case No. 01-1139 (JKF)
Debtors.)	Objection Deadline: September 7, 2007 at 4:00 p.m.
)	Hearing: September 24, 2007 at 2:00 p.m.

**COVER SHEET TO FIFTH QUARTERLY APPLICATION OF
ORRICK, HERRINGTON & SUTCLIFFE LLP, BANKRUPTCY COUNSEL
TO DAVID T. AUSTERN, FUTURE CLAIMANTS' REPRESENTATIVE FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
JANUARY 1, 2007 THROUGH MARCH 31, 2007**

Name of Applicant: Orrick, Herrington & Sutcliffe LLP

Authorized to Provide Professional Services to: David T. Austern, Future Claimants' Representative (the "FCR")

Date of Retention: As of February 6, 2006 (pursuant to this Court's Order entered May 8, 2006)

Period for which compensation is sought: January 1, 2007 through March 31, 2007

Amount of Compensation (100%) sought as actual, reasonable, and necessary: \$1,098,668.00

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$ 57,670.14

This is an: X interim monthly final application.

PRIOR APPLICATIONS FILED

Orrick was retained effective February 6, 2006, pursuant to this Court's Order entered May 8, 2006. Orrick has previously filed the following quarterly fee applications:

a. First Quarterly Fee Application for the time period February 6, 2006 through March 31, 2006 in the amount of \$206,292.25 in fees and \$7,501.32 in expenses, for a total of \$213,793.57.

b. Second Quarterly Fee Application for the time period April 1, 2006 through June 30, 2006 in the amount of \$456,045.25 in fees and \$14,568.92 in expenses, for a total of \$470,614.17.

c. Third Quarterly Fee Application for the time period July 1, 2006 through September 30, 2006 in the amount of \$558,019.75 in fees and \$25,651.67 in expenses, for a total of \$583,671.42

d. Fourth Quarterly Fee Application for the time period October 1, 2006 through December 31, 2007 in the amount of \$841,070.00 in fees and \$98,378.95 in expenses, for a total of \$ 939,448.95.

COMPENSATION SUMMARY
JANUARY 1, 2007 THROUGH MARCH 31, 2007

<u>Name of Professional Person</u>	<u>Position of Applicant, No. of Years in Position, Prior Relevant Experience, Yr. Obtained License to Practice, Area of Expertise</u>	<u>Hourly Billing Rate</u>	<u>Total Billed Hours</u>	<u>Total Fees</u>
John Ansbro	Partner, 3 years in position; 12 years relevant experience; 1995, Litigation	\$625	426.10	\$262,000.00 ¹
Roger Frankel	Partner, 24 years in position; 36 years relevant experience; 1971, Bankruptcy	\$770	172.80	\$126,357.00 ²
Jonathan P. Guy	Partner, 7 years in position; 14 years relevant experience; 1993, Bankruptcy	\$650	50.00	\$32,500.00
Raymond G. Mullady, Jr.	Partner, 14 years in position; 24 years relevant experience; 1983, Litigation	\$635	272.20	\$179,973.75

¹ This amount reflects a reduction of \$2,218.75 (February 2007) and \$1,625.00 (March 2007) for the 50% discount of hourly rates for non-working travel.

² This amount reflects a reduction of \$4,389.00 (January 2007), \$1,155.00 (February 2007) and \$1,155.00 (March 2007) for the 50% discount of hourly rates for non-working travel.

Garret G. Rasmussen	Partner, 25 years in position; 33 years relevant experience; 1974, Litigation	\$700	71.70	\$49,665.00
Richard H. Wyron	Partner, 18 years in position; 28 years relevant experience; 1979, Bankruptcy	\$700	68.30	\$46,410.00 ³
Jeffery D. Hermann	Of Counsel, 5 years in position; 30 years relevant experience; 1977, Bankruptcy	\$570	2.2	\$1,331.00
Joshua M. Cutler	Associate, 4 years in position; 4 years relevant experience; 2003, Litigation	\$430	1.00	\$430.00
Debra L. Felder	Associate, 5 years in position; 5 years relevant experience; 2002, Bankruptcy	\$465	552.30	\$252,634.50 ⁴
Annie L. Hermele	Associate, 3 years in position; 3 years relevant experience; 2004, Litigation	\$390	46.50	\$18,135.00
Emily S. Somers	Associate, .5 years in position; .5 years relevant experience; 2006, Litigation	\$270	.60	\$162.00
Katherine Thomas	Associate, 3 years in position; 3 years relevant experience; 2004, Bankruptcy	\$390	1.70	\$663.00
Shannon D. Venegas	Associate, 3 years in position; 3 years relevant experience; 2004, Litigation	\$390	113.50	\$45,591.00
Catharine L. Zurbrugg	Associate, 2 years in position; 2 years relevant experience; 2005, Litigation	\$355	138.30	\$48,155.75
Rachael M. Barainca	Legal Assistant	\$150	107.00	\$16,050.00
Caren Biberman	Manager, Research & Info Resources	\$205	.50	\$102.50
James Cangialosi	Legal Assistant	\$235	41.00	\$9,635.00
Debra O. Fullem	Bankruptcy Research Specialist	\$225	24.90	\$5,602.50
Timothy J. Hoyer	Practice Support Project Coordinator	\$195	.40	\$78.00
John M. Mora	Litigation Tech Manager	\$240	1.20	\$288.00
Patricia M. Parker	Legal Assistant	\$205	20.10	\$2,358.00
Aaron R. Thorp	Project Coordinator	\$195	9.60	\$1,872.00
Total			2,121.90	\$1,098,668.00
Blended Rate: \$517.78				

³ This amount reflects a reduction of \$700.00 (January 2007) and \$700.00 (March 2007) for the 50% discount of hourly rates for non-working travel.

⁴ This amount reflects a reduction of \$930.00 (January 2007) and \$3,255.00 (February 2007) for the 50% discount of hourly rates for non-working travel.

COMPENSATION BY PROJECT CATEGORY
JANUARY 1, 2007 THROUGH MARCH 31, 2007

<u>Project Category</u>	<u>Total Hours</u>	<u>Total Fees</u>
Case Administration	35.40	\$5,422.50
Compensation of Professionals-Orrick	45.70	\$10,152.50
Compensation of Professionals-Other	23.50	\$4,522.50
Litigation	1,935.60	\$1,046,768.00
Plan and Disclosure Statement	29.70	\$22,191.00
Retention of Professionals-Orrick	2.80	\$630.00
Travel Time (Non-Working)	4.50	\$1,262.50
TOTAL	2,121.90	\$1,098,668.00

FEE REDUCTION

After Orrick filed its monthly fee statements for this period but before it had filed the Fifth Quarterly Fee Application, the Fee Auditor provided Orrick with an initial report questioning certain time entries. In response, and in an effort to avoid disputes with the Fee Auditor, Orrick has agreed to reduce its total billed hours by 29.50 hours, and its total fees by \$13,410.00, with respect to the following professionals:

<u>Professional</u>	<u>Billed Hours Reduction</u>	<u>Fee Reduction</u>
John Ansbro	2.50	\$1,562.50
Jonathan P. Guy	1.60	\$1,040.00
Garret G. Rasmussen	1.50	\$525.00
Patricia M. Parker	0.00	\$1,762.50
Shannon D. Venegas	13.20	\$4,368.00
Richard H. Wyron	3.70	\$2,590.00
Catharine L. Zurbrugg	7.00	\$1,562.00
Total	29.50	\$13,410.00

The Compensation Summary and Compensation by Project Category set out above reflect Orrick's fees after taking these additional agreed reductions into account.

EXPENSE SUMMARY⁵
JANUARY 1, 2007 THROUGH MARCH 31, 2007

<u>Expense Category</u>	<u>Total</u>
Court Call – conferencing services	\$885.00
Deposition Services	\$1,619.06
Document Technologies, Inc.	\$9,608.55
Duplicating	\$7,161.30
Experts: Fees and Expenses	\$12,946.00
Facsimile	\$7.00
Hotel	\$3,746.84
Subpoena Fees	\$100.00
Meals	\$2,077.29
Mileage	\$141.34
Pacer	\$2,305.04
Parking	\$193.50
Postage/Express Delivery	\$3,172.32
Secretarial Overtime	\$44.25
Telephone	\$258.48
Tolls	\$3.00
Travel – Airfare/Train	\$6,157.37
Travel - Taxi	\$1,273.65
Westlaw and Lexis Research	\$5,970.15
TOTAL	\$57,670.14

Orrick's Client Charges and Disbursements Policy effective January 1, 2006, are as follows:

a. ***Duplicating*** -- It is Orrick's practice to charge all clients of the Firm for duplicating at the in-house rate of 20¢ per page; however, Orrick has reduced the duplicating cost to 15¢ per page in order to comply with the Local Rules of this Court. This charge includes the cost of maintaining the duplicating facilities and the actual cost involved with respect to the duplication.

b. ***Long Distance Telephone and Facsimile Charges*** -- Orrick charges clients for long distance telephone calls but not for local telephone calls. Necessary mobile phone usage is reimbursed to professionals submitting an appropriate bill. Out-going facsimile transmissions are charged at \$1.50 per page, plus any long-distance calling cost, and there is no charge for incoming facsimiles.

c. ***Messenger and Courier Service*** -- It is Orrick's practice to use Federal Express or similar express mail delivery and third-party messenger services only in exigent circumstances (i.e., when needed to meet a deadline or when a next-day response from the recipient was necessary or beneficial to the case) and only when less costly than other available alternatives.

d. ***Overtime*** -- It is Orrick's practice to allow professionals and paraprofessionals working more than 3 hours of overtime to charge a meal to the appropriate client at a meal charge limited to \$7.50 per professional. It is Orrick's practice to allow professionals and support

⁵ All available expense back-up is attached as Exhibit D-O.

staff to charge a car service or cab to the appropriate client when working at least 2 hours of overtime. Orrick endeavored not to incur overtime charges unless necessary to benefit the case and in certain exigent circumstances. Orrick utilized secretarial assistance in connection with monitoring and updating case dockets and downloading, circulating and printing of pleadings filed in the case. Thus, certain charges were incurred by secretaries for overtime. (Note: These charges are at rates less than that charged by Orrick paralegals or other professional staff who may have otherwise performed this type of work.)

e. ***Computerized Research*** -- It is Orrick's practice to use computer-assisted legal research when it is efficient to do so. The charge to clients for Lexis and Westlaw are based on retail rates that do not include non-client specific volume discounts offered to Orrick. Use of fee based internet research services other than Lexis and Westlaw is charged at Orrick's cost. There is no separate charge for free internet research.

Respectfully submitted,

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: 

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Co-Counsel to David T. Austern, Future Claimants'
Representative

Dated: August 9, 2007